

Docket No: 06-0526
Bench Date: 4/18/07
Deadline: 8/8/07

M E M O R A N D U M

TO: The Commission

FROM: David Gilbert, Administrative Law Judge

DATE: March 23, 2007

SUBJECT: Illinois Commerce Commission
On Its Own Motion

Consideration of the federal standard on time-based metering and communications in Section 1252 of the Energy Policy Act of 2005.

RECOMMENDATION: Enter Order Declining Adoption of PURPA Policy Standard.

In August 2005, Congress amended the federal Public Utility Regulatory Policy Act ("PURPA"). One such amendment requires state regulatory commissions to consider whether to adopt PURPA's new time-based rate and metering standard for electric service. However, the new PURPA provisions exempt a state commission from performing the foregoing assessment when state laws, regulations and/or Commission decisions have established a comparable standard, which has been implemented by the state electric utilities subject to PURPA. A commission must complete its consideration of these issues by August 8, 2007.

ComEd, the American Companies, MidAmerican and Staff participated actively in this case. They all assert that Illinois law and policies satisfy the comparable standards test, by imposing time-based rate and metering requirements that are analogous to the new PURPA standards. Moreover, each utility has filed tariffs implementing the comparable Illinois requirements. Thus, Staff and the industry parties conclude that the Commission can decline to further consider the analogous time-based rate and metering standard included in the PURPA amendments. The attached Order concurs with the parties.

Staff raises an additional issue. It argues that the PURPA amendments also require the Commission to determine whether or not the pertinent electric utilities must install timed-based meters (either basic interval data recording ("IDR") meters or "smart" meters) for all of their customers. ComEd does not agree that PURPA requires such a determination with respect to smart meters, because, in ComEd's view, the PURPA

amendments only address IDR meters. The attached Order declines to resolve that dispute about statutory construction and simply proceeds to assess the advisability of universally deploying either IDR meters or smart meters.

Staff, ComEd, the Ameren Companies and MidAmerican all oppose a universal deployment requirement for *any* type of time-based metering. All believe that ubiquitous deployment would be too expensive (particularly insofar as such expenses would be passed on to consumers), unwanted by the great majority of customers, and premature (because subsequent developments are likely to reduce the cost and enhance the efficiency and attractiveness of time-based meters). These parties all emphasize that any customer presently wanting a time-based meter need only request one pursuant to available tariffs. The attached Order adopts the parties' collective viewpoint that universal deployment of time-based metering would not yet enhance the public interest. Thus, if you enter the attached Order, ubiquitous installation of time-based meters would not be further assessed or implemented now.

Accordingly, I recommend that the Commission enter the attached Order, which declines adoption of the PURPA policy standard (because of existing and comparable Illinois requirements) and does not mandate universal deployment of time-based meters.

DG:fs